



Police Department Overtime Audit Report

Issued by the
Internal Audit Department
August 14, 2006

**City of El Paso
Internal Audit Office
Police Department Overtime Procedures Audit**

EXECUTIVE SUMMARY

The Internal Audit Department has concluded its audit of Police Department Overtime Procedures. Based on the results of this audit, thirteen (13) findings were identified to indicate improvement is needed in the management oversight of the overtime process within the El Paso Police Department's Overtime Procedures. Seven findings are considered significant in nature and six are considered less significant. Listed below is a summary of the 13 findings identified in this report:

1. The Police Department's Procedures Manual does not address Flex Time, weekday appointments of an "Acting Commander/Captain/Manager", time guidelines for overtime slips submittal, and the tracking of outside employment.
2. Overtime expenditures are not being properly allocated to the appropriate grant account. Two out of 123 overtime slips (1.6%) were not charged to the correct grant account. The Grant Division's documented procedures are not specific and do not provide adequate guidance on how to allocate grant expenditures, or how to correct errors and/or omissions related to grant expenditures.
3. A sample of 123 Overtime (OT) Slips submitted by 22 officers covering the month of January 2006 was reviewed for accuracy, validity, and proper approval. The results of our review indicate the following:
 - 75 out of 123 OT Slips (60.9%) were not dated. The form currently in use does not require an approval date by design. Therefore, making it difficult to determine if the overtime was valid, approved, and submitted within the required timeframe.
 - 16 out of 123 OT Slips (13.0%) were not approved by a Commander, Captain, or Civilian Manager for overtime occurring during a weekday.
 - Four out of 123 OT Slips (3.3%) were not submitted to the Payroll Division within the 48 hours requirement and were not properly approved.
 - One out of 123 OT Slips (0.8%) was missing the reason for the overtime and was not properly approved.
4. The following items were identified related to the KRONOS Time Management System:
 - KRONOS is not being used to identify excess accruals for vacation and compensatory (comp) time leave.
 - KRONOS is not adjusting or calculating shift differential for officers whose day shift carries them into an evening shift.
 - The work schedule in KRONOS is being overridden by leave entries in POLICE MANAGER.
5. The Police Department is currently using two Time Management Systems to monitor its employees work schedules and process leave requests, KRONOS and POLICE MANAGER. Resulting in a duplication of effort and inaccurate entries due to the challenges associated with the data interface between the systems.
6. The Police Department is not in compliance with the Collective Bargaining Agreement's (Article 10, Section 2) stipulation allowing a maximum accrual of 320 vacation leave hours and the Civil Service Commission Rule 13 (Section 4.b) regarding the forfeiture of leave balances over the 320 hours. A test sample of 22 officers assigned to the Airport identified 9 instances during 2005 and 10 instances during 2006 where there was a balance over 320 vacation leave hours.

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7. A review of overtime payments during January 2006 indicates that there is a problem with the payment and processing of overtime. Our review indicated that 81 out of 2,205 overtime payments (3.7%) were processed as retroactive overtime payments totaling \$8,586.43.
8. A review of 16 Outside Employment Applications for the month of January 2006 indicated the following:
 - 14 out of 16 applications (87.5%) did not contain a copy of the employee's work schedule as required by the form.
 - Three out of 16 applications (18.8%) did not list the "Location/Comments" and were not approved by the Department Head.
 - There was one entry in the "Outside Employment" spreadsheet that should not have been considered as outside employment because the officer was working grant overtime.
9. The Police Department currently has only one Certified Breath Test Program Technical Supervisor and 31 Certified Breath Test Operators, resulting in increased overtime for these officers.
10. The Police Department does not have a rotation policy for officers working overtime. Which results in the same officers working overtime.
11. There were vacation leave requests, which were not approved by management. The approvals involved individual requests and approvals in POLICE MANAGER.
12. There were missing or incomplete Comp Time support documentation. Thus, making it difficult to verify the validity, authorization, and compliance with Police Department Policies and Procedures.
13. The timeliness of the submittal and approval process for OT Slips related to Comp Time requests was reviewed. The review indicated that there were delays in the submission and approval of Comp Time requests.

For a detailed explanation of each of the findings please refer to the appropriate finding contained in the body of this Audit Report.

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BACKGROUND

The El Paso Police Department currently employs over 1,100 commissioned officers and approximately 300 civilian support personnel. As of March 19, 2006, the Police Department had 281 vacancies for uniformed personnel and 34 civilian vacancies. In fiscal year 2005 the Police Department was staffed at 24% below the national average, with 1.76 uniform officers per 1,000 citizens. The Police Department receives assistance from a large contingent of volunteers who donate their time to perform a wide variety of duties, which include telephone answering, staffing patrol desks, and issuing handicap-parking violations.

The Police Department is committed to providing quality community policing from its five Regional Command Centers located throughout the city. Each Command Center offers full policing services to its residents including routine patrol, traffic enforcement, detective services, community relations and other specialized functions. The Police Department's administration and centralized major crime units are housed in its centrally located Headquarters Building.

The Police Department has as its mission, to provide services with integrity and dedication, to preserve life, to enforce the law, and to work in partnership with the community to enforce the quality of life in the City of El Paso. The El Paso Police Department has received national recognition for many of its innovative programs. Over the past few years, the El Paso Police Department has been a national leader and innovator by embracing the concepts and practices of Community Based Policing. Community Based Policing involves actively working with the community to prevent crime and create a safer environment. Recently, the Morgan Quitno Press named the City of El Paso "Second Safest City in the U.S." in 2005, for the third year in a row.

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SCOPE

We performed a limited scope audit of the Police Department overtime process. The purpose of this limited scope audit is to determine if the Police Department's policies and procedures are adequate to ensure an efficient and effective administration of the Police Department overtime process. The audit objectives were to ascertain if procedures being utilized in the administration of Police Department overtime are consistent with required manning needs and proper authorization. The audit also documented areas where inefficiencies exist and where internal controls may be strengthened or improved. The audit addressed the following areas:

1. Obtained an understanding of the Police Department Overtime process.
2. Determined if proper controls exist in the granting of Police Department Overtime.
3. Ascertained and documented the amount of overtime expenditures based on Police Department areas and also by Police Department titles.
4. Reviewed the monitoring controls in place to determine if management is adequately monitoring the overtime expenditures and the overtime process.
5. Selected a sample month and conducted analytical review procedures to determine the accuracy of the amounts reported in PeopleSoft. On a sample basis traced selected amounts to the general ledger.
6. Determined if the Police Department Management is operating in a control conscious environment as it relates to Police Department Overtime. We characterize a control conscious environment as having the following:
 - An adequate level of internal control awareness.
 - Proper separation of duties.
 - Existence of a proper monitoring system.
 - Appropriate authorization/approval of expenditures.
 - Adequate safeguarding of financial, physical, and information assets.

The audit period covered the operations of the El Paso Police Department from fiscal year 2005 – 2006.

The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors.

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***SIGNIFICANT FINDINGS, RECOMMENDATIONS,
AND MANAGEMENT’S RESPONSES***

The definition of a significant finding is one that has a material effect on the City of El Paso’s financial statements, identifies an internal control breakdown, a violation of a City policy and/or procedure, or a violation of a law and/or regulation that the City is required to follow. Any finding not meeting these criteria will be classified as an “Other Finding.”

Finding 1

Procedures Manual

The Police Department’s Procedures Manual does not address:

- The use of “Flex Time”, which is being permitted even though its use, is not stipulated in the Collective Bargaining Agreement.
- The appointment of an “Acting Commander, Captain, or Civilian Manager” during a weekday, who is allowed to approve overtime slips.
- The required timeframe for submitting the overtime slips to the Police Department’s Payroll Division. Which is 48 hours from the occurrence of the overtime.
- The tracking of approved and denied “Outside Employment Application Forms”, as required by Civil Service Rule 29.

Recommendation

The Police Department’s Procedures Manual needs to be updated to correct the deficiencies identified in this finding.

Management’s Response

- “Flex Time” is a City Policy in which the police department is in full compliance. The City “Flex Time” Policy is covered on page 27 of the City of El Paso Employee Handbook, of which each police employee, (uniformed and civilian), was required to receive and sign for as per city policy. The Department Procedures Manual will be updated to include the city’s “flex time” policy.
- The Department Manual was amended in October of 2005 to include the following section – Supervisory Responsibility, 2-102.01, which states, “An employee, by order of the Chief of Police or other superior in the employee’s chain of command, may be temporarily required to perform the duties of a higher rank or position. When performing these duties, the person exercises the authority and bears all responsibilities.” As to the second bullet, this section provides the provision needed to appoint an Acting Commander, Captain, or Civilian manager who would have the authority to approve overtime requests regardless of the day of the week. This provision applies to all duties of the temporarily appointed higher rank and not just for the approval of OT slips.

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Management's Response (cont.)

- The Police Department is in the process of updating their current time keeping policy. The current policy under Section – Record Keeping, 2-302.03, which requires that all overtime slips be submitted by the beginning of the next scheduled work day. A pending “Time Keeping” Administrative Order is awaiting final approval by legal and the Chief of Police. This order will amend the current policy requiring overtime to be submitted the same day the overtime is worked.
- The Chief's Office maintains a database that tracks all outside Employment requests that are submitted to the Department Head. This finding indicates that the Police Department is not in compliance with Rule 29, Civil Service Rules and Regulations by not tracking all approved and denied requests. Currently all requests submitted have been approved by the Chief of Police or his designee. The Department has no request on file that has been denied by the Department Head; therefore our database does not reflect any denials at this time.

Responsible Party

Diana Kirk, Assistant Chief of Police

Implementation Date

September 1, 2007

Chief Internal Auditor's Response

The Police Department is assuming additional risk by not updating its Procedure Manual to incorporate the recommendations contained in this finding. The finding is recommending an update to the Police Department's Manual as to current procedures and not an interpretation of the procedures.

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Finding 2

Grants

A review of grant procedures was conducted. The Police Department Procedures Manual, Chapter 3 – Grant Section:

- Does not provide adequate guidance as to how to allocate grant expenditures, because procedures are not specific.
- Does not provide guidance on how to correct errors and/or omissions related to grant expenditures.

A sample of 123 Overtime (OT) Slips submitted by 22 officers covering the month of January 2006 was reviewed. Two out of 123 OT slips (1.6%) were not allocated to the appropriate grant account:

- The COMP STEP Grant was not charged 6.33 hours of overtime; instead the hours were charged to the general fund account (21010050).
- The HIDTA STING Grant was not charged 6 hours of overtime; instead the hours were charged to the general fund account (21010050).

Recommendation

The Police Department's Payroll Division needs to implement a quality control review procedure to ensure that grant overtime expenditures are properly allocated.

The Grant Section of the Police Department Procedures Manual needs to be updated to include specific guidance on how to allocate grant expenditures, and how to correct errors and/or omissions related to grant expenditures.

Management's Response

- A review of the finding indicates that only 1 OT slip out of 123 slips sampled (less than 1%) was not charged to the appropriate grant account.
- The HIDTA STING audit finding is not a valid one. The overtime was correctly charged to the General Fund. HIDTA has an \$11,000 OT cap per Fiscal Year and this officer exceeded his cap as of 7/28/06. All OT worked after the cap is met is transferred by the Grants Section to the General Fund.

Responsible Party

Marta Giner, Senior Grants Planner

Implementation Date

January 1, 2007

Chief Internal Auditor's Response

A secondary review was conducted of the two overtime slips in question. It was determined that the finding is valid. The overtime charged to the HIDTA STING Grant occurred prior to July 28, 2006, indicating that the overtime was not allocated properly.

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Finding 3

Overtime Slip Approval Procedures

A sample of 123 Overtime (OT) Slips submitted by 22 officers covering the month of January 2006 was reviewed for accuracy, validity, and proper approval. The results of our review indicate the following:

- 75 out of 123 OT Slips (60.9%) were not dated. The form currently in use does not require an approval date by design. Therefore, making it difficult to determine if the overtime was valid, approved, and submitted within the required timeframe.
- 16 out of 123 OT Slips (13.0%) were not approved by a Commander, Captain, or Civilian Manager for overtime occurring during a weekday.
- Four out of 123 OT Slips (3.3%) were not submitted to the Payroll Division within the 48 hours requirement and were not properly approved.
- One out of 123 OT Slips (0.8%) was missing the reason for the overtime and was not properly approved.

Recommendation

The Police Department's Payroll Division needs to implement a quality control review procedure to ensure that OT slips are valid, properly approved (to include approval date) and submitted within the required timeframe of 48 hours from the date of the overtime.

Management's Response

- Regarding the finding that overtime slips not being properly dated, it should be noted that the current overtime form does not require the date that it is approved at the Command level. This form will be amended to include a space requiring an approval date at the Command level.
- OT slips not being approved by a Commander, Captain, or Civilian Manager – the majority of the slips in question were signed by the acting Commander, Captain, or Civilian Manager. As per current policy, Supervisory Responsibility, Section 2-102.01 of the Department Manual as previously stated grants authority to an acting Commander, Captain, or Civilian Manager.
- The Police Department is in the process of developing an automated electronic system for the overtime processing. Currently all overtime is completed on hardcopy in a paper format that requires handwritten completion, review, and approval. Once approved, they must be hand delivered daily from a variety of locations throughout the city to Police Headquarters located at 911 Raynor to be manually posted by a Payroll Clerk. This entire process is very time consuming and inefficient, thus resulting in overtime slips not being submitted to our payroll section within the required time frame. Once the electronic submission, approval and posting is in place, this finding will be resolved.

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Management's Response (cont.)

- Regarding the last finding that .08% or 1 of 123 overtime slips failed to list the reason for OT will be addressed immediately and when the electronic overtime slip is implemented, as this will be a required field. As previously stated we are presently developing a form within the Police Manager System to automate the overtime process.

Responsible Party

Diane Kirk, Assistant Chief of Police

Implementation Date

September 1, 2007

Chief Internal Auditor's Response:

The Police Department is assuming additional risk by not fully implementing this recommendation. The Police Department is willing to revise its current procedures in dating the overtime request. The Police Department is also willing to practice the procedure of appointing a temporary Commander, Captain, or Civilian Manager.

The additional risks lie with the Police Department addressing the submission and justification of overtime by using the POLICE MANAGER System. The KRONOS System is capable of recording, processing, and monitoring overtime. The Police Department needs to implement the use of the KRONOS Time Management System in handling its overtime, which is the City of El Paso's official Time Management System. KRONOS currently interfaces with the City of El Paso's Payroll System.

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Finding 4

KRONOS

The following inefficiencies in KRONOS were identified:

- KRONOS is not being used to identify excess accruals for vacation and compensatory (comp) time leave.
- KRONOS is not adjusting or calculating shift differential for officers whose day shift carries them into an evening shift.
- The work schedule in KRONOS is being overridden by leave entries in POLICE MANAGER.

Recommendation

KRONOS is the City's official Time Management System, which is used to determine the department's payroll. Management needs to work with the City's Human Resource Department in order to conduct an analysis to identify, enhance, and customize KRONOS to meet the department's needs.

Management's Response

- The Department has attempted to address El Paso Police Department-specific issues in KRONOS by partnering with the Human Resources Department and the KRONOS vendor without success. On or about September 15, 2005, EPPD formally initiated technical solutions in KRONOS through HR to automate the following department specific issues: Shift Differential, Excess Vacation, Excess Compensatory Time, and Leave Posting from Court Notify System (CNS). KRONOS was contracted through HR with funding being provided by EPPD to address and fully automate these issues. Subsequent meetings between HR, PD, and KRONOS (from 11/7/05 to 4/22/06) failed to produce the system results required by the department to fully automate KRONOS to meet the needs of the department.
- The Police Department is currently working with ORION, the vendor for our POLICE MANAGER and COURT NOTIFY Systems. Since the POLICE MANAGER System is already linked to KRONOS, real time vacation balances in excess of 320 hours can be requested and audited.
- The Police Department suffers the same problem with compensatory time requests. The KRONOS System is currently unable to limit comp-time accruals to the 80 hours as per contractual agreement; therefore, Police Payroll Clerks are forced to manually check each employee's accrual each time a compensatory time request is made. If such request does not take the employee over the 80 maximum hours, then the accrual is entered manually. If the accrual puts the employee over the maximum hours, then the payroll clerk is required to change the request to overtime payment. Through POLICE MANAGER we will have the ability to view real time compensatory time accruals, so when an electronic request is made POLICE MANAGER will have the ability to send the affected employee an error message that the accruals are at maximum, thus denying the request.

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Management's Response (cont.)

- The Police Department due to the nature of its work requires supervisory personnel to develop and have on-hand daily work schedules. The KRONOS System requires a work schedule for time keeping purposes. The Police Department requires daily schedules for a number of other reasons, such as court notifications via COURT NOTIFY and for daily work assignments of its personnel. Since POLICE MANAGER and COURT NOTIFY requires a daily work schedule, a data link has been established in which each employees work schedule is downloaded to the KRONOS System weekly from POLICE MANAGER. This allows for a number of efficiencies, including the entry of an employee into only one database opposed to a number of systems.

Responsible Party

Diana Kirk, Assistant Chief of Police & Stuart Ed, Director of Administrative Services

Implementation Date

September 1, 2007

Chief Internal Auditor's Response

A preliminary contact has been made with the Human Resources Director regarding an interface between KRONOS and the POLICE MANAGER Systems. Per the Human Resources Director, the KRONOS Time Management System is capable of monitoring vacation, comp time leave, shift differentials, and work schedules. The use of POLICE MANAGER as an internal monitoring and management tool is not a concern, as long as POLICE MANAGER interfaces accurately with the KRONOS System. Keeping in mind that KRONOS Time Management System is the official time management system for the City of El Paso. KRONOS currently interfaces with the City of El Paso's Payroll System.

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Finding 5

Time Management System

The Police Department is currently using two Time Management Systems to monitor its employees work schedules and process leave request, KRONOS and POLICE MANAGER. Resulting in a duplication of effort and inaccurate entries due to the challenges associated with the data interface between the systems.

Recommendation

Management needs to consider the exclusive use of KRONOS as its Time Management System. KRONOS is the City's official Time Management System. The exclusive use of KRONOS should help reduce inefficiencies and the risk of erroneous entries. In addition, the use of KRONOS will help ensure the timeliness of the approvals and submittals. Reducing the need to process retroactive overtime payments and ensuring that all overtime reports include accurate overtime figures.

Management's Response

- The Police Department is not using two time management systems. The only official time management system in use by the Police Department is the KRONOS Time Keeping System. The POLICE MANAGER System is a Personnel Management Program, rather than a Time Management System. The Police Department originally purchased the COURT NOTIFY System, which electronically notifies officers of a court date and requires that the officer acknowledge the notification electronically. It assists the courts by notifying the courts of any schedule conflicts when scheduling officers (leave time, training, another court). The Department then added the POLICE MANAGER Program, which is a system that works in conjunction with the Court Notify System. Electronic leave requests were included and are a vital part of the POLICE MANAGER System, so that the information would be readily available in the COURT NOTIFY System. This interface is critical for the department to effectively manage its overtime court cost. This system assists in ensuring Officers are scheduled for court during their working hours as much as possible while reducing unnecessary and costly overtime.
- The KRONOS and POLICE MANAGER Systems are linked. Recently, an export was set up which exports employees' work schedules from POLICE MANAGER System to the KRONOS System as discussed above. This eliminated the need for supervisors to enter schedules into KRONOS and a number of other databases in use by the Police Department. Leave requests are made and approved in the POLICE MANAGER System. Approved leave requests are transferred to KRONOS on an hourly basis. The data interface between the two systems continues to improve and has become very reliable.

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Management's Response (cont.)

- As stated previously, work continues on developing an electronic overtime request in POLICE MANAGER. Employees will request the overtime electronically in POLICE MANAGER, which will then forward to their supervisor. Upon completing the approval process, the overtime will automatically transfer to the KRONOS System and post to the employee timecard. The electronic overtime request will reduce the amount of time it takes for the Payroll Section to process overtime and will increase reliability while reducing the number of late submittals as well as retroactive overtime payments.

Responsible Party

Diana Kirk, Assistant Chief of Police

Implementation Date

September 1, 2007

Chief Internal Auditor's Response

Based on the results of this audit, the Police Department by their own admission are using the POLICE MANAGER System to process leave requests, monitor Comp Time, process vacation requests, and are planning on processing overtime requests. Our audit work has documented errors in the current interface between POLICE MANAGER and KRONOS, which has resulted in the need to process retroactive adjustments in the Payroll System.

This finding and recommendation calls for the exclusive use of the KRONOS System, which is the official Time Management System for the City of El Paso. KRONOS currently interfaces with the City of El Paso's Payroll System. The Police Department is assuming additional risks by not fully implementing the recommendation contained in this finding.

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Finding 6

Vacation Leave Accrual

The Police Department is not in compliance with the Collective Bargaining Agreement's stipulation allowing a maximum accrual of 320 vacation leave hours and Civil Service Commission's Rule 13 regarding the forfeiture of leave balances over the 320 hours.

A review of the annual leave balances for 22 Airport Division officers indicated that vacation hours were carried over in excess of the allowed 320 hours:

- Nine out of 22 officers (41%) have accrued an average of 44 hours in excess during 1/1/05 to 12/31/05.
- 10 out of 22 officers (45%) have accrued an average of 53 hours in excess during 1/1/06 to 6/16/06.

Recommendation

Management needs to monitor accrued vacation hours and deduct any hours in excess of the 320 hours limitation as stated in the Collective Bargaining Agreement (Article 10, Section 2) and Civil Service Commission Rule 13 (Section 4.b).

Management's Response

- As stated previously, the Department has attempted to address El Paso Police Department specific issues in KRONOS by partnering with the Human Resources Department and the KRONOS vendor without success. On or about September 15, 2005, EPPD formally initiated technical solutions in KRONOS through Human Resources to automate the following department specific issues: shift differential, excess vacation, excess Compensatory Time, and Leave posting from COURT NOTIFY System. KRONOS was contacted through Human Resources with funding being provided by EPPD to address and fully automate these issues. Subsequent meetings between Human Resources, EPPD, and KRONOS (from 11/7/05 to 4/22/06) have failed to produce the system results required by the department to fully automate KRONOS to meet the needs of the department.
- Police Department has been unsuccessful in accomplishing these solutions through the KRONOS System, therefore a request through POLICE MANAGER and COURT NOTIFY Systems has been made. Since the POLICE MANAGER System is already linked to the KRONOS System, the real time vacation balances can be extracted that are in excess of the 320 hours. Again, due to the Collective Bargaining Agreement, KRONOS is unable to automate to these specific technical solutions for the Police Department. These audits must otherwise be conducted manually for over 1,500 employees.

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Management's Response (cont.)

- Through the POLICE MANAGER System, the Police Department will also have the ability to document an employee's anniversary date, which the KRONOS System is also unable to do as this is not built into the system.
- The Police Department will conduct a search through KRONOS for all employees exceeding the 320 hours and will then manually search for employees anniversary dates and denied vacation requests as per the Collective Bargaining Agreement. This will be done until such time that a more automated system is in place to conduct such searches.

Responsible Party

Diana Kirk, Assistant Chief of Police

Implementation Date

September 1, 2007

Chief Internal Auditor's Response

A preliminary contact has been made with the Human Resources Director regarding an interface between KRONOS and the POLICE MANAGER Systems. Per the Human Resources Director, the KRONOS Time Management System is capable of monitoring vacation, comp time leave, shift differentials, and work schedules. The use of POLICE MANAGER as an internal monitoring and management tool is not a concern. Keeping in mind that KRONOS Time Management System is the official time management system for the City of El Paso. KRONOS currently interfaces with the City of El Paso's Payroll System.

The Police Department is assuming additional risks by not fully implementing the recommendation contained in this finding.

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Finding 7

Retroactive Overtime

A review of overtime payments during January 2006 indicates that there are errors with the payment and processing of overtime. Our review indicated the following:

- 81 out of 2,205 overtime payments (3.7%) were processed as retroactive overtime payments totaling \$8,586.43.
- Retroactive overtime payments processed in January 2006 identified an adjustment of \$516.30. The adjustment was necessary to correct the overpayment of overtime due to a double entry in KRONOS for leave on the same day.

Recommendation

Management needs to consider automating the overtime approval and submittal process by using KRONOS. KRONOS is the City's official Time Management System. The exclusive use of KRONOS should help reduce inefficiencies and the risk of erroneous entries. In addition, the use of KRONOS will help ensure the timeliness of the approvals and submittals. Reducing the need to process retroactive overtime payments and ensuring that all overtime reports include accurate overtime figures.

Management's Response

- The Police Department does exclusively use KRONOS as its official time management system. Any time worked over an employees regularly scheduled hours requires the approval of a supervisor. Overtime entries are all currently made exclusively through the KRONOS System; either through employee swipes or manual entries by trained supervisors or payroll clerks. Currently no electronic overtime slips exists within the KRONOS System, therefore, all requests (outside of swipes) must currently be made via hardcopy and entered manually.
- The Police Department originally purchased the COURT NOTIFY System, which electronically notifies officers of a court date, and requires that the officer acknowledge the notification. It assists the courts by notifying the courts of any schedule conflicts when scheduling officers (leave time, training, another court date). The department then added the POLICE MANAGER System, which works in conjunction with the COURT NOTIFY System. Leave requests need to be included in POLICE MANAGER, so that the information will be available for the COURT NOTIFY System. This interface is critical for the department to effectively manage its overtime court cost.
- As stated previously, the KRONOS System and POLICE MANAGER System are linked. Recently, an export was set up which exports employee's work schedules from POLICE MANAGER to KRONOS. This eliminates the need for supervisors to enter schedules into KRONOS. Leave Requests are made and approved in POLICE MANAGER. Approved leave requests are transferred to KRONOS on an hourly basis. The data interface between the two systems continues to improve and has become very reliable.

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Management's Response (cont.)

- Work continues on developing an electronic overtime request in the POLICE MANAGER System. Employees will request the overtime electronically in POLICE MANAGER, which will then be forwarded to their supervisor. Upon completing the approval process, the overtime will automatically transfer to the KRONOS System and post to the employee's timecard. The electronic overtime request will reduce the amount of time it takes for the Payroll Section to process overtime and will increase overtime processing reliability by minimizing human error in both data entry and processing.

Responsible Party

Robert Adkinson, Police Budget Coordinator

Implementation Date

September 1, 2007

Chief Internal Auditor's Response

The use of the POLICE MANAGER System as a management tool is not an issue. The Police Department may use the POLICE MANAGER System as a management tool. However, the Police Department by their own admission is using the POLICE MANAGER System to record, process, and monitor overtime.

There is no need to create "Electronic Overtime Requests" in the POLICE MANAGER System. By using the KRONOS System to record, process, and monitor overtime, the electronic process is handled by KRONOS. If KRONOS is used exclusively to record, process, and monitor overtime the need to process retroactive payments for overtime will be reduced. The current procedure of having Payroll Clerks enter manual entries into KRONOS will be reduced.

The KRONOS System is the official Time Management System of the City of El Paso. KRONOS currently interfaces with the City of El Paso's Payroll System.

***OTHER FINDINGS, RECOMMENDATIONS,
AND MANAGEMENT'S RESPONSES***

Finding 8

Outside Employment

A review of 16 Outside Employment Applications for the month of January 2006 indicated the following:

- 14 out of the 16 applications (87.5%) did not contain a copy of the employee's work schedule as required by the form.
- 3 out of the 16 applications (18.8%) did not list the "Location/Comments" and were not approved by the Department Head.
- There was one entry in the "Outside Employment" spreadsheet that should not have been considered as outside employment because the officer was working grant overtime.

Recommendation

Management needs to implement a monitoring system for reviewing Outside Employment Applications.

Management's Response

- Management and supervisory personnel will be required to review each outside employment submission thoroughly ensuring completeness. Incomplete Outside Employment requests will not be accepted and will be forwarded back to the employee for completion before being forwarded to the Department Head for approval.
- Employees will be reminded to list only those employments that fall within outside employment or off-duty employment guidelines. Reimbursable grant positions need not be requested on an outside employment form.

Responsible Party

Diana Kirk, Assistant Chief of Police

Implementation Date

April 1, 2007

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Finding 9

Staffing

The Police Department has only one Certified Breath Test Program Technical Supervisor and 31 Certified Breath Test Operators, resulting in increased overtime for these officers.

Recommendation

The Police Department needs to increase the number of Certified Breath Test Program Technical Supervisors and Certified Breath Test Operators in order to help reduce overtime.

Management's Response

- The Police Department has initiated the creation of a Blood Alcohol Testing Program training facility at the Northeast Municipal Center. This facility will be constructed with confiscated drug money. This facility will serve as a regional training center to certify Breath Test Program Technical Supervisors and Operators. Currently the closest training facility is in Midland, TX. City Council entered into a design agreement with Mijares-Mora Architects, Inc. on August 15, 2006. The City gave Notice to Proceed for design on August 23, 2006. Design will be completed in 3 months, procurement for construction completed in 3 months, and construction completed in 5 months.
- All training and testing equipment required for the facility has already been purchased with BATP funds as well as Capital Funds. This program will require continued reimbursement as per the MOU with El Paso County as prescribed by the Code of Criminal Procedure. These funds must be available for continued training, purchase and repair of BATP equipment, and required certifications of technical personnel.

Responsible Party

Stuart C. Ed, Director Administrative Services

Implementation Date

September 1, 2007

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Finding 10

Rotation Policy

The Police Department currently does not have a rotation policy in place for officers working overtime.

Recommendation

An Overtime Rotation Policy needs to be implemented to ensure that the same officers are not continuously working overtime.

Management's Response

An Overtime Rotation Policy will be researched and created.

Responsible Party

Diana Kirk, Assistant Chief of Police

Implementation Date

April 1, 2007

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Finding 11

Vacation Leave Pre-Approval

A review of the vacation leave taken by 5 Airport Division officers for a period from 1/1/05 to 12/31/05 indicated the following:

- Eight out of 39 instances (20.5%) were not approved by management before the leave was taken.
- Three out of 39 instances (7.7%) were not approved by management in Police Manager.

A review of the vacation leave taken by 5 Airport Division officers for a period from 1/1/06 to 6/16/06 indicated the following:

- Five out of 20 instances (25.0%) were not approved by management before the leave was taken.
- Two out of 20 instances (10.0%) were not approved by management in Police Manager.

Recommendation

Management needs to ensure that all vacation leave requests are submitted 24 hours in advance and approved by management before the leave date in accordance with the Collective Bargaining Agreement, Article 10, Section 2. The approval can be processed through KRONOS. KRONOS is the City's official Time Management System, and using it exclusively should help reduce inefficiencies and the risk of erroneous entries. In addition, it should help to ensure the timeliness of the approvals and submittals, resulting in reliable information to aid management in making scheduling decisions.

Management's Response

A major management challenge facing the Police Department is prompt review and approval of leave requests. Whether the system is the old paper system or a new electronic one, the department due to its sheer size has always struggled with supervisors promptly reviewing and processing employee leave requests.

- The Police Department will refine the POLICE MANAGER System to include an escalation component as what presently exists within COURT NOTIFY. Presently, supervisors receive an automatic notification through MS Outlook email when subordinate employees submit leave requests in COURT NOTIFY. This automatic notification will be further refined to escalate the leave request up the employee's chain of command if the immediate supervisor fails to review and act on the request within 24 hours. Likewise, the leave request will continue to escalate at each supervisory level if the leave request is not acted upon within 24 hours at each supervisory level. This quality control escalation will ensure leave requests are promptly processed, reducing the number of leave requests left unresolved or not acted while also reducing the number of retroactive pay adjustments required by payroll. Automatic escalation is one example of an extremely useful feature available in COURT NOTIFY/POLICE MANAGER that does not exist in KRONOS.

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Responsible Party

Diana Kirk, Assistant Police Chief

Implementation Date

April 7, 2007

Chief Internal Auditor's Response

In reviewing the Police Department's response regarding refining the COURT NOTIFY System with an escalation component to notify supervisors of leave request. This procedure is not necessary as the KRONOS System currently provides this feature. Emails notifications are sent by KRONOS to the approving supervisor upon receiving an employee's leave request.

By refining the COURT NOTIFY System to process leave requests would create a duplication of effort on behalf of the Police Department. KRONOS is the official Time Management System for the City of El Paso. KRONOS currently interfaces with the City of El Paso's Payroll system. Implementation of the recommendation in this finding is necessary to improve the efficiency of approving leave requests.

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Finding 12

Incomplete Support Documentation for Comp Time

There is missing or incomplete support documentation for Comp Time. Thus, making it difficult to verify the validity, authorization, and compliance with Police Department Policies and Procedures.

A review of 87 instances of Comp Time by 5 Airport Division officers for a period from 1/1/05 to 12/31/05 indicated the following:

- Five out of 87 OT Slips (5.7%) were missing.
- One out of 87 OT Slips (1.1%) was missing the signature of the "Authorizing Supervisor".
- 52 out of 87 OT Slips (59.8%) did not include the date of management approval. Therefore, the timeliness of the approval could not be determined.
- 20 out of 87 OT Slips (23.0%) were not date stamped by the Police Department's Payroll Division upon receipt. Therefore, the timeliness of the submittal could not be determined.
- Six out of 87 OT Slips (6.9%) were approved but the comp hours were not accrued. Of these:
 - Three were paid out as overtime (OTP).
 - Two were paid out as straight time because the officer had taken sick leave during the week
 - One was paid out as retroactive overtime (RTO).

A review of 16 instances of Comp Time by 5 Airport Division officers for a period from 1/1/06 to 6/16/06 indicated the following:

- Three out of 16 OT Slips (18.8%) were missing.
- 12 out of 16 OT Slips (75.0%) did not include the date of management approval. Therefore, the timeliness of the approval could not be determined.
- Three out of 16 OT Slips (18.8%) were not date stamped by the Police Department's Payroll Division upon receipt. Therefore, the timeliness of the submittal could not be determined.
- Two out of 16 OT Slips (12.5%) were approved but the comp hours were not accrued. Both were paid out as overtime (OTP).

Recommendation

Management needs to use the Overtime/Comp Time component of the KRONOS Time Management System. KRONOS is the official Time Management System for the City of El Paso. This will increase its efficiency/effectiveness, reduce the risk of errors, and ensure adequate support documentation.

In addition, management needs to implement a process to monitor Comp Time requests to ensure they are properly documented, authorized (signed and dated), and processed in accordance with the Collective Bargaining Agreement and Police Department's Policies and Procedures.

Management's Response

- Regarding missing OT slips, work continues on developing an electronic overtime request in POLICE MANAGER. Employees will request the overtime electronically in POLICE MANAGER, which will then be forwarded to their supervisor. Upon completing the approval process, the overtime will automatically transfer to the KRONOS System and post to the timecard. The electronic overtime request will reduce the amount of time it takes for the Payroll section to process overtime and will increase OT processing reliability by minimizing human error in both data entry and processing.

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Management's Response (cont.)

- Regarding the date of management's approval, the current OT request form does not require the date it is approved at the Command level. The form will be amended to include a space requiring an approval date at the Command level.
- Regarding OT slips being date-stamped by Payroll, the electronic overtime solution identified above that is presently being pursued will provide a time-stamp when OT slips are received and approved by the Payroll section.
- Regarding accurate Comp time accrual, the electronic overtime request solution addresses above will also increase OT processing reliability by minimizing human error in both data entry as well as processing.
- The Police Department will refine POLICE MANAGER to include an escalation component as what presently exists within COURT NOTIFY. Supervisors will receive an automatic notification through MS Outlook email when subordinate employees submit Comp Time through COURT NOTIFY. This automatic notification will be further refined to escalate the Comp Time slip up the employee's chain of command if the immediate supervisor fails to review and act on the request within 24 hours. Likewise, the Comp Time slip will continue to escalate at each supervisory level if the leave request is not acted upon within 24 hours at each supervisory level. This quality control escalation will insure Comp Time slips are promptly processed, reducing the number of Comp Time slips left unresolved or not acted upon while reducing the number of retroactive pay adjustments required by Payroll. Automatic escalation is one example of an extremely useful feature available in COURT NOTIFY/POLICE MANAGER that does not exist in KRONOS.

Responsible Party

Diana Kirk, Assistant Chief of Police

Implementation Date

September 1, 2007

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Chief Internal Auditor's Response

In reviewing the Police Department's response regarding refining the COURT NOTIFY System with an escalation component to notify supervisors of leave request. This procedure is not necessary as the KRONOS System currently provides this feature. Emails notifications are sent by KRONOS to the approving supervisor upon receiving an employee's leave request. By refining the COURT NOTIFY System to process leave requests would be a duplication of effort on behalf of the Police Department.

The KRONOS system is also capable of recording, processing, and approving overtime submitted by officers. The KRONOS System already is set up to handle this type of function. KRONOS is the official Time Management System for the City of El Paso. KRONOS currently interfaces with the City of El Paso's Payroll system. Implementation of the recommendation in this finding is necessary to improve the efficiency of approving overtime requests.

Finding 13

Timeliness of Support Documentation for Comp Time

A review of support documentation for 87 instances of Comp Time by 5 Airport Division officers for a period from 1/1/05 to 12/31/05 indicated the following:

- Two out of 87 OT Slips (2.3%) were not approved within 48 hours from the date the overtime was worked.
- 16 out of 87 OT Slips (18.4%) were not submitted to the Police Department's Payroll Division within 48 hours from the date the overtime was worked.

A review of support documentation for 16 instances of Comp Time by 5 Airport Division officers for a period from 1/1/06 to 6/16/06 indicated the following:

- Three out of 16 OT Slips (18.8%) were not submitted to the Police Department's Payroll Division within 48 hours from the date the overtime was worked.

Recommendation

Management needs to monitor Comp Time requests to ensure that they are submitted and approved in accordance with the current 48-hour requirement.

Management needs to automate the Overtime/Comp Time approval process by using KRONOS. KRONOS is the City's official Time Management System, and using it exclusively should help reduce inefficiencies and the risk of erroneous entries. In addition, it should help to ensure the timeliness of the approvals and submittals, resulting in reliable information to aid management in making scheduling decisions.

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Management's Response

- Work continues on developing an electronic overtime request in POLICE MANAGER, to include the options for both overtime and Comp Time. Employees will request the overtime electronically in POLICE MANAGER, which will then be forwarded to their supervisor. Upon completing the approval process, the overtime will automatically transfer to the KRONOS System and post to the timecard. The electronic overtime request will reduce the amount of time it takes for the Payroll Section to process overtime and will increase processing reliability by minimizing human error in both data entry and processing.
- The Police Department will refine POLICE MANAGER to include an escalation component as what presently exists within COURT NOTIFY. Presently, supervisors receive an automatic notification through MS Outlook email when subordinate employees submit OT slips through COURT NOTIFY. This automatic notification will be further refined to escalate the OT slip up the employee's chain of command if the immediate supervisor fails to review and act upon the request within 24 hours. Likewise, the OT slip will continue to escalate at each supervisory level request if not acted upon within 24 hours at each supervisory level. This quality control escalation will insure OT slips are promptly processed, reducing the number of OT slips left unresolved or not acted upon while also reducing the number of retroactive pay adjustments required by Payroll. Automatic escalation is one example of an extremely useful feature available in COURT NOTIFY and POLICE MANAGER that does not exist in KRONOS.

Responsible Party

Diana Kirk, Assistant Police Chief

Implementation Date

September 1, 2007

Chief Internal Auditor's Response

In reviewing the Police Department's response regarding refining the COURT NOTIFY System with an escalation component to notify supervisors of leave request. This procedure is not necessary as the KRONOS System currently provides this feature. Supervisor approval of overtime is required by KRONOS, prior to data being transferred to the Payroll System. By refining the COURT NOTIFY System to process overtime requests would be a duplication of effort on behalf of the Police Department.

The KRONOS system is also capable of recording, processing, and approving overtime submitted by officers. The KRONOS System already is set up to handle this type of function. KRONOS is the official Time Management System for the City of El Paso. KRONOS currently interfaces with the City of El Paso's Payroll system. Implementation of the recommendation in this finding is necessary to improve the efficiency of approving overtime requests.

INHERENT LIMITATIONS

Because of the inherent limitations of internal controls, errors or irregularities may occur and not be detected. Also, projections of any evaluation of the internal control structure to future periods are subject to the risk that procedures may become inadequate due to changes in conditions, or that the degree of compliance with the procedures may deteriorate.

CONCLUSION

Based on our audit, there are policies and procedures in place to ensure administration of the Police Department overtime process, with the exception of items noted in our findings. These findings include the limited guidance on some issues in the Procedures Manual, overtime approvals by authorized individuals, timeliness of overtime approvals, and inefficiencies as it relates to a duplication of effort due to the use of multiple Time Management Systems (i.e., KRONOS and POLICE MANAGER/COURT NOTIFY).

In addition, we have determined that while management does have some systems in place to monitor overtime, management should consider reviewing some of the current procedures to ensure that they are obtaining accurate information. Procedures at individual Regional Command Centers are not consistently being practiced. Consistency will assist management in meeting its goals and objectives of maintaining overtime at an acceptable level.

Management can strengthen the overall monitoring of overtime by:

- Updating its current Procedures Manual.
- Maintaining only one Time Management System, KRONOS, which is the official Time Management System for the City of El Paso.
- Automating the overtime approval and submittal process in KRONOS to reduce the risk of incomplete support documentation, errors, and inefficiencies.
- Reviewing and analyzing current overtime procedures in order to comply with the Collective Bargaining Agreement, City/Departmental Policies, and Civil Service Commission Rules.

Although the Police Department currently uses its POLICE MANAGER and COURT NOTIFY Systems to handle numerous overtime, comp time, and leave requests; the KRONOS System needs to be used as their official Time Management System. The POLICE MANAGER and COURT NOTIFY Systems can be used as a management tool but until the KRONOS System is used as its official Time Management System, the Police Department is assuming additional risks in managing its overtime. KRONOS is the official Time Management System of the City of El Paso and currently interfaces with the City of El Paso's Payroll System.

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We wish to thank the Police Department's management and staff for their assistance and numerous courtesies extended during this audit.

Signature on File
Edmundo S. Calderon, CIA, CGAP
Chief Internal Auditor

Signature on File
Christine L. Esqueda, CGAP
Auditor

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